

APPENDIX 20

**ANALYSIS OF CRYPTO ASSETS REVENUE AND REWARDS
(PLUS SERIES A & B)**

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ANALYSIS OF CRYPTO ASSETS REVENUE AND REWARDS (PLUS SERIES A & B)

Celsius Network Inc. and Subsidiaries
Analysis of Cryptocurrency Revenue and Rewards¹
(\$ in \$000's)

	2018	2019	2020	2021	Six Months Ended June 30, 2022
Revenues and Other Sources:					
Exchanges	\$ 350	\$ 3,467	\$ 25,874	\$ 189,164	\$ (20,100)
DeFi	-	-	815	119,020	(776)
EAM	-	-	-	25,138	(1,283)
Staking	-	-	-	53,144	44,180
Retail Lending	80	1,227	-	23,781	19,973
Institutional Lending	103	2,108	21,158	186,889	63,019
Lending	(3)	4,465	46,522	-	-
Mining	-	-	-	150,192	91,252
CEL Treasury (Bonus & Rewards)	-	(4)	-	42,419	-
CEL Token OTC	-	-	-	-	1,653
CEL Token - Treasury & OTC	-	-	-	62,287	-
Other	11	-	-	566	12,713
Sale of Capital Stock ²			12,150	590,516	96,110
Total Revenues and Other Sources:	\$ 541	\$ 11,263	\$ 106,519	\$ 1,443,115	\$ 306,740
Less: Adjustments to Crypto Related Revenue ³					
Mining	\$ -	\$ -	\$ -	\$ 150,192	\$ 91,252
CEL Treasury (Bonus & Rewards)	-	(4)	-	42,419	-
CEL Token OTC	-	-	-	-	1,653
CEL Token - Treasury & OTC	-	-	-	62,287	-
Other	11	-	-	566	12,713
Increase (Decrease) in Investment in Celsius Mining ⁴				227,932	49,724
Total Adjustments to Crypto Related Revenue	\$ 11	\$ (4)	\$ -	\$ 483,395	\$ 155,341
Crypto Asset Related Revenue	\$ 531	\$ 11,267	\$ 106,519	\$ 959,720	\$ 151,398
Less: Adjustments for Operating Expenses and Write-Offs ⁵					
R&D	\$ 985	\$ 1,673	\$ 4,435	\$ 24,771	\$ 26,979
S&M	2,986	2,516	4,343	55,639	42,569
Doubtful Debt & Write-Off	-	-	-	476,759	76,268
G&A	2,836	3,527	34,410	245,512	43,815
Total Adjustments for Overhead Expenses	\$ 6,807	\$ 7,717	\$ 43,189	\$ 802,680	\$ 189,631
Add: Net ICO Related Receipts					
Revenue from ICO (CEL) ⁶	25,032	8,981	5,722	-	-
Development Costs from ICO Revenue	1,363	-	-	-	-
	\$ 23,668	\$ 8,981	\$ 5,722	\$ -	\$ -
Crypto Related Revenue, Net of Overhead	\$ 17,392	\$ 12,531	\$ 69,052	\$ 157,040	\$ (38,233)
Less: Rewards Expense	\$ 150	\$ 6,957	\$ 45,705	\$ 582,232	\$ 245,377
Net Crypto Asset Revenue, Less Rewards	\$ 17,242	\$ 5,573	\$ 23,347	\$ (425,192)	\$ (283,610)
Cumulative Surplus / (Deficit)	\$ 17,242	\$ 22,815	\$ 46,162	\$ (379,030)	\$ (662,640)

Celsius Network Inc. and Subsidiaries

Notes to Analysis of Cryptocurrency Revenue and Rewards

- 1 Basis of Presentation - Celsius entities maintain accounting records using QuickBooks which is an accounting software package that is geared mainly toward small and medium-sized businesses. The following Celsius entities' records are maintained within QuickBooks: Celsius Pty Ltd., Celsius EU UAB, Celsius KeyFi LLC, Celsius Lending LLC, Celsius Mining LLC, Celsius Network (Europe), Celsius Network (Gibraltar) Ltd., Celsius Network Inc., Celsius Network LLC, Celsius Network Ltd. (Israel), Celsius Network Ltd. (UK), Celsius Network Lending LLC, Celsius Services CY LTD, Celsius US Holdings LLC, and GK8 Ltd. For the years 2018 - 2020 the combined entity consisted of Celsius Network Ltd. (UK), Celsius Network Inc. (US), and Celsius Network Ltd. (Israel).

2018 - 2020: Celsius did not consolidate its balance sheet or income statements for the years 2018 - 2020. The accompanying financial information is presented on a combined, rather than a consolidated basis using the financial records downloaded from the QuickBooks system. Intercompany receivables and payables did not offset on combined basis for 2019 and 2020, with intercompany receivables exceeding intercompany payables by \$113k in 2019 and intercompany payables exceeding intercompany receivables by \$18.6M in 2020. The accompanying financial statements may differ from financial statements previously disclosed by Celsius as a result of subsequently recorded accounting entries.

2021 - 2022: Celsius began presenting balance sheets and income statements on a consolidated basis during 2021. Celsius provided summary consolidated financial statements for Q2 2021 through Q2 2022 but were unable to provide the contemporaneously prepared consolidation files associated with the summary financial statements. Rather, Celsius retroactively prepared consolidation files from its historical accounting records. Huron prepared the financial statements used in this analysis from the QuickBooks records for each of the Celsius entities and consolidating them consistent with the procedures used by Celsius. In certain instances, the financial statements prepared by Huron differ from the summary financial statements prepared by Celsius, primarily due to the timing of adjusting entries booked by Celsius. For example, several entries in the QuickBooks general ledger are dated as of the last day of the respective quarters but were not included in the balances on Celsius's summary financial statements. These adjusting entities are included within the balances presented herein.

- 2 From May 2020 – May 2022, Celsius raised approximately \$700M through Series A & B equity rounds. The proceeds were recorded on the books of Celsius Network Ltd. (UK). For the purpose of this analysis, proceeds from these equity rounds are included as source of funds available to pay customer rewards.
- 3 Adjustments to Crypto Related Revenue represent reductions to total revenues for funds generated from sources other than the deployment of non-CEL related cryptocurrency assets.